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C O N F I D E N T I A L SECTION 01 OF 02 VILNIUS 001222

SIPDIS

STATE FOR EUR/NB AND EUR/OHI

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TAGS: [PREL](#) [PGOV](#) [KNAR](#) [SOCI](#) [PHUM](#) [LH](#)

SUBJECT: GOL AGREES TO JEWISH COMMUNAL PROPERTY RESTITUTION
TEXT

REF: VILNIUS 283 AND PREVIOUS

Classified By: Pol/Econ Officer Gregory L. Bernstein for reasons 1.4(b)
and (d)

1. (SBU) SUMMARY: The GOL's Ministry of Justice and representatives of the Jewish community, with our prodding, have agreed on the substance and text of an amended law authorizing communal property restitution. The law will establish a payment schedule for monetary restitution to the local Jewish community beginning in 2009, and will designate a foundation as the sole recipient and custodian of the funds. The draft legislation is circulating through the intergovernmental review process and should reach the floor of parliament early in 2006. Although the draft legislation could run afoul of Lithuania's tempestuous internal political scene, the ruling coalition and most of the opposition have for now endorsed its passage. END SUMMARY.

2. (SBU) Negotiations between the Lithuanian government and the local and international Jewish communities over restitution for Jewish communal property (schools, clinics, libraries, community centers, etc.) have been continuing for more than two years. In September, Ambassador Mull met with senior Justice Ministry officials to urge expedited consideration of the draft legislation required for such restitution in order to submit it to the Parliament before the end of 2005. The ministry intensified its discussions with the Jewish community, but as of early November, the Jewish community complained that the Ministry was still clinging to language in the draft legislation that seemed to prejudice an equitable restitution process.

3. (SBU) The Embassy responded with intensified contacts on both sides to facilitate agreement, and on November 8, Algis Balenzentis, head of the Justice Ministry's Legal Department, told us that the Government had reached agreement with the official Lithuanian Jewish Community on the language. Balenzentis dispelled concerns of the Lithuanian Jewish Community that the GOL had introduced language into the draft amendment that would provide for wider distribution of monies and properties resulting from the restitution process than previously agreed. The MOJ, he said, had adopted language the Jewish Community had proposed to establish a joint GOL-Jewish Community foundation as the exclusive recipient of restitution funds and property.

4. (SBU) Eugenija Sutkiene, attorney for the Jewish Community (which, prior to our notification, had not heard that the Government had accepted their text) met with Balenzentis November 16 to confirm the terms of the amendment. Sutkiene subsequently told us that, per prior agreement, the proposed law would establish a schedule for payments of compensation for unrestitutable properties to begin in 2009 and continue for ten years. Sutkiene said that the MOJ is awaiting Ministry of Finance approval of this compensation schedule in order to finalize the draft text and circulate it to other ministries for their comment. Ministries will then have up to a month to submit comments, after which the MOJ will submit the draft text to the parliament for consideration.

Comment

5. (U) Conclusion of lengthy and difficult negotiations puts Lithuania on the brink of initiating the communal property restitution process for Lithuania's Jewish Community. This long-overdue development will restore some dignity to the small, relatively poor survivors of Lithuania's once vibrant Jewish Community. It will also mark an important step in Lithuania's path toward addressing its Holocaust legacy and providing just recompense.

6. (SBU) The legislation must receive parliamentary and Finance Ministry approval, however, before the celebrations can begin. The timetable for introducing the amendment is not, unfortunately, optimal. Even if the Ministry of Finance blesses the arrangement and the GOL manages to submit the law in early 2006, the bill will have to pass through several committees before reaching the plenary for consideration. The tenuous status of PM Brazauskas (septel), whom many see as the prime mover and supporter of Jewish property

restitution, is another potential difficulty. His early departure from office could leave the restitution amendment without a strong advocate. Nevertheless, a solid majority of the current governing coalition and a large portion of the opposition have signaled to us their intent to support passage.

17. (C) We will continue to champion the restitution process, acting as an intermediary when necessary to facilitate progress between the various interested parties.

MULL